

# What Do 9/11, the Great Recession and Coronavirus Have in Common? Five Common Threads Running Through America's 21st Century Catastrophes

*By Daniel Coats*

Coronavirus is now the third major disruptive – and defining – disaster in American life since the turn of the millennium two decades ago. The deadly respiratory virus has left the nation in various degrees of lockdown, slayed the stock market's record bull market and, most worryingly, has the potential to cause at least hundreds of thousands of deaths that would not have otherwise occurred, according to [estimates](#) from major health officials.

Like 9/11 and the Great Recession before it, the coronavirus is almost certain to have an enduring impact on a generation.

There are some common threads running through each of these three disasters. Here are five:



*Ground Zero in New York City after 9/11. Photo from Pixabay*

## **1. Not Just National, But Global**

9/11, the Great Recession and coronavirus will be remembered as significant moments in American history, but they are also major global events, not merely national ones.

For instance, 9/11 resulted in two major wars in the Middle East and indirectly led to the rise of ISIS, a terrorist group with global reach. The security restrictions brought about by 9/11 impacted the global public, while the perceived loss of American invincibility arguably played a

significant role in the rise of emerging economic and political powers such as China. Total casualties (when including those who died from health conditions brought on by exposure to toxins at Ground Zero, as well as soldiers and civilians lost in the Iraq and Afghanistan conflicts) may easily exceed 1 million.

The Great Recession was perhaps even more devastating in Europe than in North America, where it marked the beginning of the end of European Union optimism. From Brexit to the rise of far-right and far-left parties on the continent, the impact of the Great Recession is still very much alive in Europe – and even other parts of the world.

As often occurs in geographically isolated North America, coronavirus dominated the news in Europe and Asia for weeks in January and February 2020, but was only recognized as a crisis in the U.S. this March. While coronavirus, in a worst-case scenario, has the potential to be the deadliest disaster in modern American history, the impact will almost certainly be even worse in Europe, where an aging population, densely-populated cities and perhaps other unknown factors are combining to cause much higher mortality rates than the rest of the world. And disruptions to globalization will be felt in every country.

## 2. Single Precedents in Early 20th Century America

Interestingly, 9/11, the Great Recession and coronavirus all had a single precedent in American history, which helped to guide responses and provide some context for pundits, politicians and academics.

9/11 was widely compared with Japan's 1941 assault on Pearl Harbor, which brought the United States into World War II. While opponents of the analogy retorted that 9/11 was an attack on civilians, rather than military bases, and involved the U.S. mainland, rather than an island chain that was at the time a U.S. territory, the disruption to American life caused by the Pearl Harbor attack was arguably greater than occurred after 9/11, and certainly the overall loss of American lives in combat was much higher.

Additionally, it is an often-forgotten fact of history that the Pearl Harbor attack occurred simultaneously with Japanese bombings of American bases in the Philippines and Guam, as well as British installations in Hong Kong, Singapore and Malaysia. And beaches on the Pacific Coast, such as Santa Barbara, were [shelled](#) by Japanese seacraft. With this expanded view, 9/11 and Pearl Harbor easily become more comparable, with the latter actually appearing greater in scope.

The Great Recession was the worst economic downturn in the lifetimes of most Americans, but it did not fall to the depths of the nation's all-time worst deprivation: the Great Depression of the 1930s. While unemployment soared well above 10% nationally in the late 2000s (including 12.4% in California) and millions of Americans lost homes to foreclosure, it fell short of the nearly 25% jobless rate at the peak of the Great Depression in 1933. In that earlier downturn, there were nine consecutive years of double-digit jobless rates and the stock market took 25 years to recover (as opposed to six years for the Great Recession).

While the ultimate scope of coronavirus remains to be seen, its closest historical precedent is the so-called "Spanish" influenza pandemic of 1918, which left an estimated 675,000 Americans [dead](#), mostly in a two-month period during the autumn of that year. As with coronavirus, many communities were virtually locked down for weeks. Interestingly, Spanish flu combined with other factors (such as World War I) to produce a rare period in which American life expectancy declined.

Coronavirus is also occurring at a time in which U.S. lifespans are in decline due to factors such as the opioid crisis. The death rate for those infected with Spanish flu was about 2%, which is surprisingly close to the situation with coronavirus (though estimates vary from considerably lower to quite a bit higher in the current situation).

Ironically, the precedents to 9/11, the Great Recession and coronavirus occurred in reverse order to their 21st century counterparts, with Pearl Harbor in 1941, the Great Depression in the 1930s and Spanish flu in 1918.

While there is no guarantee that such a trend would continue, it is notable that the previous major disaster in the U.S. before Spanish flu was the 1906 San Francisco earthquake, the only instance in which a geophysical disaster virtually destroyed a major American economic and social city. Worries of a repeat have concerned scientists and policymakers in such quake-prone regions as California, the Pacific Northwest, Midwest and Northeast.



*People queuing during the coronavirus outbreak in China. Photo from Wikimedia Commons*

## THE POWER OF A SINGLE PRESIDENT

I PREDICT THAT WHEN HISTORIANS LOOK BACK ON EARLY 21<sup>ST</sup> CENTURY AMERICA, THEY WILL VIEW GEORGE W. BUSH JR. AS THE MOST CONSEQUENTIAL PRESIDENT OF MODERN AMERICAN HISTORY.

WHETHER OR NOT YOU AGREE WITH HIS DECISIONS, CONSIDER: HE LED THE RESPONSE TO 9/11 AND THE GREAT RECESSION, AND ESTABLISHED THE PANDEMIC RESPONSE PLAN CURRENTLY GUIDING AMERICA THROUGH CORONAVIRUS.

### 3. A Sharp and Enduring Economic Toll

In an era of globalization, almost every major event has some impact to the global economy, and 9/11, the Great Recession and coronavirus have been the three most significant economic shocks of the new century.

9/11 was the main event of the early 2000s bear market, which saw the S&P 500 index collapse by 49%, and was the focus of a mild recession. Interest rates were cut, setting the stage for the housing boom that would ultimately spawn the Great Recession. And the economic disruption caused by the loss of the World Trade Center resulted in the rise of cloud computing as a backup in case physical infrastructure was lost.

The Great Recession was of course entirely an economic event, and the response to it also included lower interest rates (essentially to zero). The tightening of credit eventually eased, but a greater oversight on who may borrow and how much continues to present. Ultimately, the Great Recession contributed to American inequality, as housing prices zoomed upwards yet again in the 2010s, but the experience of the housing crash meant that mortgages wouldn't be extended to the increasingly large percentage of households who sought to buy homes, resulting in a large segment of the population essentially priced out of housing. Part-time jobs, freelance work and the gig economy are also lasting economic legacies of the Great Recession.

Coronavirus' consequences might not be known for some time, but a severe stock market crash is likely to continue in the near term. The rise in telework might make working remotely increasingly common in the post-pandemic future – or it might do the opposite, as people associate working remotely with the hardship of the emergency period.

#### **4. A Gray Swan: Anticipated by Some, but Never Considered a Top Threat**

For the last few years, climate change has been regarded by many as the most significant threat facing the world in coming decades. While the world's changing climate is still likely to be a major issue for the next few generations, the advent of a significant pandemic is surprising to many – lay people and experts alike – who did not foresee the coronavirus crisis.

For more than 25 years, a number of health experts have warned of the danger of pandemic disease in an era of widespread air travel. Consider the 1994 book [The Coming Plague](#) and a rash of books and scholarly research on the 1918 influenza pandemic that peaked in the mid-2000s. There have even been several recent respiratory pandemic scares, such as SARS in 2003, bird flu in the mid-2000s and H1N1 (swine flu) in 2009. But none were top of mind to most Americans at the advent of the 2020s.

A similarity can be drawn to the pre-9/11 world. In summer 2001, the world had recently weathered the Y2K scare, fearing that technological unpreparedness would conspire to derail the world as it entered the new millennium. Political dysfunction, the looming retirement of Baby Boomers and a series of bankruptcies in the new digital world were top of mind to many.

Lurking in the background were fears of a major Islamist terrorist attack. There had been some warning signs. Consider the 1993 World Trade Center bombing or attack on U.S. embassies in Africa in 1998.

But if the average American – and even the average foreign policy expert – were asked in summer 2001 what the greatest challenge would be for the U.S. in the next few years, there would be a range of answers, but few would have guessed a major terrorist attack and subsequent military responses.

After all, the Cold War was over, and a major foreign attack was something previous generations had to worry about. The world had supposedly changed.

One Tuesday morning in September 2001 changed all that.

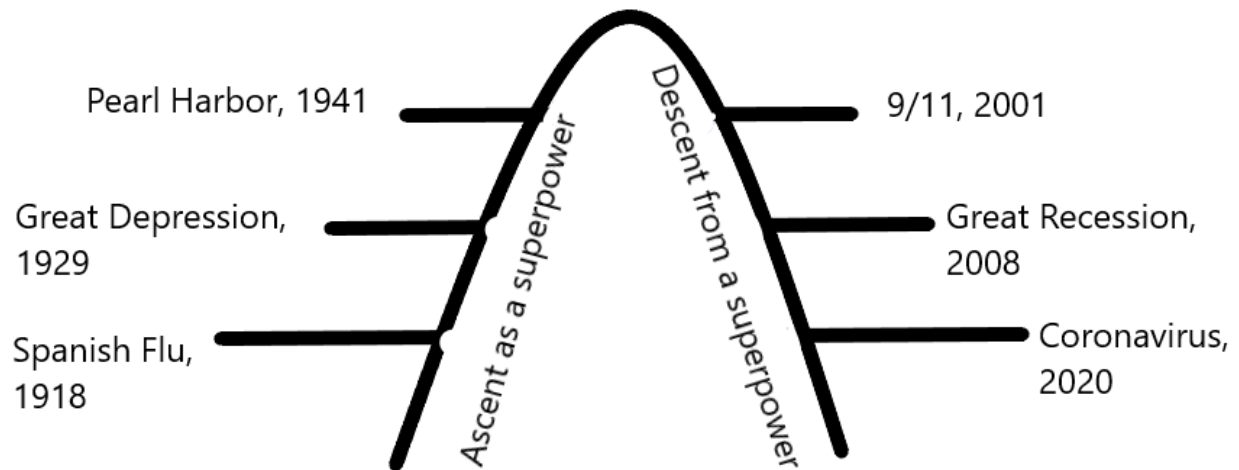
With the Great Recession, many economists and business minds anticipated a downturn in the housing market. But there were expectations of the “soft landing” and repeated assurances that an outright recession would be avoided. This sentiment continued in some circles even until early September 2008.

Consider an [article](#) on Jan. 28, 2008, in *The Wall Street Journal* entitled “The Economy is Fine (Really),” stating, “It is hard to imagine any time in history when such rampant pessimism about the economy has existed with so little evidence of serious trouble.”

Perhaps compare with this CNBC [interview](#) on Jan. 23, 2020, when Hsu Li Yang from the NUS Saw Swee Hock School of Public Health explained that, while the novel coronavirus spread from animals to people and was similar to SARS, it was unlikely to become a pandemic.

“This is a coronavirus. It doesn’t spread effectively as influenza. Even during SARS, we didn’t have the technology or capabilities we have today, and there was no global pandemic,” said Yang.

In all three cases, there was a looming threat that would seem obvious post-disaster, but which seemed possible, but unlikely, in the years, months and even weeks before.



*The great disasters of early 21st century America, and their precedents*

## 5. Diminishing the Superpower

Pearl Harbor, the Great Depression and Spanish flu were horrendous tragedies in American life that impacted almost every family of the time. Together, they helped to solidify the image of the early 20th century as a time of hardship and sacrifice in the American experience.

But despite the difficulties, early 20th century America was clearly a society moving upward in its position in the world. And in each case, the country's experience with the global challenges was more muted than was the case for other nations.

For instance, with Spanish flu, the U.S. may have lost 0.5% of its population to disease. But simultaneously, it was the victor of the First World War, setting the nation on a course to reach its economic peak, relative to the rest of the world, in the following decade. The U.S. did not have to cope with reparations as Germany did and had suffered far fewer [casualties](#) in the war than others.

The Great Depression was an incredible economic collapse for the U.S. that had just exulted in the Roaring 20s. But it escaped the totalitarian dictatorships that defined the era in Germany, Italy, Japan and the Soviet Union.

Pearl Harbor brought the U.S. into World War II, but once again, America would lead the free world to victory in the conflict, with [much lower](#) casualties than others, and no devastated cities that would take years to rebuild. The victory in World War II would solidify America's role as the superpower for the remainder of the 20th century.

By contrast, the disasters of the 21st century have significantly weakened America's standing and prestige.



9/11 showcased American vulnerability, emboldening adversaries and forcing allies to recalculate dangers. After the War in Iraq ended badly, the U.S. public – across the ideological spectrum – grew increasingly wary of foreign intervention, thus further eroding the U.S. position as the arbiter of international conflicts.

The Great Recession started in the U.S. with the housing crash and would ultimately undermine many Americans' faith in their own political and economic systems. In the decade following, interest in socialism and populism skyrocketed in a nation that for decades almost universally adhered to capitalism. While Europe did suffer worse than the U.S., the Great Recession was perhaps the first instance in which the developing world and Asian economies outperformed their North American and European counterparts, which helped China achieve the status of the world's second largest economy in the 2010s and placed it on a trajectory to eclipse the U.S. as the superpower in some respects.

The coronavirus story is still being written, but already, there are signs of American weakness. From

#### PANDEMICS AND AMERICA'S SUPERPOWER STATUS

AS SPANISH FLU PEAKED IN THE U.S. IN FALL 1918, AMERICA WAS WINNING ITS FIRST MAJOR WORLD CONFLICT, SETTING ITS DESTINY AS THE WORLD'S SUPERPOWER.

IN SPRING 2020, AS CORONAVIRUS SPREADS THROUGH THE U.S., THE COUNTRY HAS REACHED A PEACE DEAL TO END THE AFGHANISTAN WAR THAT BEGAN AFTER THE WORST FOREIGN ATTACK ON AMERICAN SOIL. WITHOUT A CLEAR VICTORY, THE WAR IN AFGHANISTAN IS AMERICA'S FIRST NO-WIN RESPONSE TO FOREIGN ATTACK.

delays in testing to a health care system spread over thousands of jurisdictions rather than more unified systems in other nations, it seems unlikely that the U.S. will achieve the success of China or South Korea in containment. Combined with a rising toll in Europe, it seems likely that, once again, coronavirus will make the Western world seem more vulnerable.

In fact, coronavirus may be the first major infectious disease of modern times in which the death rate is higher in the traditional Western world (North America,

Europe and Australia) than the rest of the world.

The world wars, Spanish flu and the Great Depression were bumps in the road on America's way to superpower status, with 1945 to 2000 marking the golden era of perceived American invincibility. 9/11, the Great Recession and coronavirus appear as steps downward, away from the American Age as we know it.

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